

## INTO THE 1980s:

### SOME ECUMENICAL VIEWS ON THE CHALLENGE OF VALUES AND STRUCTURES

#### A Summary

The Advisory Group on Economic Matters held its second meeting at Le Cénacle, Geneva, from January 9 - 14, 1980. It took as its points of departure the report of the Zurich Consultation, Political Economy, Ethics and Theology: Some Contemporary Challenges (1978) and its own Oaxtepec work, Some Ecumenical Views on the NIEO Debate (1979). It sought to relate Zurich's call for a political economic paradigm centered on human beings to the specific political economic failures, challenges and structures now confronting humanity. Equally, it sought to broaden Oaxtepec's international political concerns which focused on UNCTAD V to include the national and international changes in values and structures which the struggle for a just, participatory and sustainable society now requires.

The international economic order constructed by the Western industrial capitalist economies after the Second World War to overcome the challenges which had overwhelmed them in the 1930s and 1940s was not designed to serve, and did not serve the interests of the Third World or of the industrial socialist countries. For the past decade it has been less and less able even to serve the interests of its originators. Interlocked with this increasingly global failure are national socio-political and political economic failures in Third World, industrial capitalist and industrial socialist economies.

The challenge as we enter the 1980s is neither solely material nor simply one of values. Any proposal and any struggle for specific political economic institutional change is ultimately based on and must be tested against underlying values. However, to inform human life, values - especially the values of justice, participation and sustainability - must be embodied in structures and institutions as well as be articulated in a technically competent manner.

By no means are all of the challenges facing us inherently negative. The loss of faith in geometric growth and in technological modernization for its own sake, the varied demands of individuals, societies, minorities, women and states for more participation, the broadening suspicion that the "free market" left to its own devices neither produces efficiently, distributes justly nor provides for future social and ecological sustainability - all are potentially creative. Many conflicts do represent, in an imperfect and incomplete way, struggles at least in part based on the values of participation, justice and sustainability and on the rejection of authoritarianism, militarism and exclusion. The Islamic revival and the movements for both national and collective self-reliance are examples.

The challenge to Christians is to relate the possibilities for creative change to basic values and to have the courage to struggle for change even though it entails sacrifice. The scenario seeking return to the 1960s is both technically implausible and ethically unsound. The alternative

quest for a coalition of long-term self-interests as a means to managing change as set out in the 1979 Interfutures Report, Facing the Future, is at first sight more attractive. However, it has to date proved more divisive than mobilizing and appears to retain elements of selfishness, individualism and exclusive hierarchy open to grave challenge in terms of the Gospel.

Political economic structural changes to embody the struggle for justice, participation and sustainability are needed within industrial economies, within the Third World and in the international system. The forms vary, the basic problems are the same. No one change can be seen in isolation but this is not a case for delaying any one aspect of change because another has not yet been accomplished. Christians as followers of Christ and as members of the human family are now faced with universal challenges: the achievement of concrete progress toward basic human rights (including the right to an adequate diet) and basic human needs (including employment and participation); the attainment of both peace with personal security and justice with redress of oppression, of the satisfaction of the needs of the poor and of a sustainable relationship with nature; the overcoming of the insecurity, inequality and selfishness inherent in the "free" market mechanism while avoiding centralisation and authoritarianism in state or interest group economic management. These challenges exist within each society, within each broad group of economies and globally. Only the particular forms of challenge and opportunities for change differ from place to place, time to time and local to global level. Transnationals do not merely exploit poor countries, they also exclude many unemployed of the industrial economy from jobs and shape the global economy in divisive and unsustainable directions. The energy crisis does not simply threaten the distribution of food or the survival of forests in many poor countries, it also leads industrial economies to policies which reduce employment and social security and undermine the stability of international financial and monetary arrangements. Overcoming the shortage of food is not merely a matter of producing more nor of a faster solution to the problem of external payments and debt of poor countries, but of providing the undernourished with effective access to that food. The shortage of food is a glaring example that the free market is neither universally efficient in achieving production of what is objectively needed nor generally capable of distributing either income or production with any pretence to even minimal standards of justice.

These challenges to our values and to our ability to apply them to concrete political economic changes are not ones which can be overcome speedily. We must make a start now, a start informed by a clearer understanding of our own values and goals as well as sustained by the knowledge that the struggle against exclusion, oppression and exploitation and for participation, sustainability and justice is inherent in history. This struggle must be pursued even, indeed especially, when the challenges are most difficult and the outlook for short-term concrete achievements is most problematic.

## List of Participants

### Meeting of CCPD-WCC Advisory Group on Economic Matters

January 10-14, 1980, Le Cénacle, Geneva

- BARKAT, Dr. Anwar (Pakistan). Moderator of Unit II of the WCC. Professor of Political Science at Stoney Point, New York, USA.
- BERTINI, Jorge. Chilean Economist. Secretary of the Association of Third World Economists in Mexico.
- DREWES, Manfred. Former staff member of CCPD. Presently working with the Association of the Churches' Development Services.
- ESPIRITU, Dr. Caesar. Prof. of Law and Political Economy, University of the Philippines. Former Vice-Chairman of the W.S.C.F.
- de GASPAR, Diogo. Brazilian economist. Former staff member of CCPD. Presently Assistant Director of the World Food Programme, Rome.
- GREEN, Prof. Reginald. Professor of Economics at the Institute of Development Studies at the University of Sussex, U.K.
- HUSZTI, Prof. Kálmán. Theologian in Social Ethics. Professor at the Theological Academy in Budapest.
- JOSHI, Dr. Nandini. Indian Economist. Advisor to UNCTAD on NIEO matters.
- KITAZAWA, Ms. Yoko. Japanese Economist and journalist. Researcher at the Pacific-Asia Resource Centre, Tokyo.
- KUHN, Dr. James. Professor at the Graduate School of Business, Columbia University, New York.
- PRONK, Dr. Jan. Economist. Member of the Dutch Parliament. Ex-Minister of Development Aid. (Moderator of the CCPD-WCC Advisory Group on Economic Matters).

#### Staff

- ARRUDA, Marcos. Economic Consultant, WCC Programme on Study of TNCs and the NIEO.
- RAISER, Dr. Konrad. Deputy General Secretary of the WCC and Moderator of Unit II.
- de SANTA ANA, Dr. Julio. Director of CCPD
- SRISANG, Dr. Koson. Executive Secretary for the Programme on People's Participation in Development, CCPD.
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- TEITELBAUM, Alejandro. Argentinian lawyer, presently living in France.

## CHAPTER I

### THE WCC AND THE FAILURE OF THE PRESENT INTERNATIONAL ORDER

A certain number of crises which occurred at the end of the sixties and during the seventies indicated that the international economic order shaped at the end of World War II is coming to its end. The monetary, food and energy crises have demonstrated that such international economic order is unable to solve the problems of underdeveloped countries as well as the internal problems of the industrial economies. It was in the context of this awareness that the proposal for a New International Economic Order was adopted at the VIth Special Session of the U.N. General Assembly in 1974.

The ecumenical fellowship expressed this awareness in a document approved by the Central Committee meeting of the WCC in Berlin (West), in August 1974, called "Threats to Survival". This document describes a certain number of certainties and uncertainties of the world community at the edge of the last decade: the certainty that the world population is growing rapidly, and the uncertainties about the future for humankind, created by threats like unjust structures for economic growth; the acceleration of the armaments race; the food crisis manifested by tragic cases of famines in the Sahel, Ethiopia and other places; the energy crisis which followed the decisions of OPEC during the Fall of 1973; and very unequal patterns of consumption between the rich and the poor.

This awareness was more clearly expressed when the Vth WCC Assembly in Nairobi (1975) stated that development must be understood essentially as the struggle of the poor against the structures of domination and oppression which hinder their way to a better future. So, the fight for institutional change within countries, and in the context of international relations, must be seen as a major component in the quest for genuine human and people's development.

After the Nairobi Assembly, and on the basis of the recommendations and decisions made there, the WCC began to concentrate on the search for a "just, participatory and sustainable society" (JPSS). According to the experience of many churches all around the world, the WCC feels that participation and sustainability cannot exist without justice, and that the combat for justice demands a praxis of participation as well as ecological responsibility and a militancy against structures and powers which threaten the future of humankind.

### Zürich: Toward a New Paradigm in Political Economy

The changing ecumenical concerns in the international development debate led to the quest for a new paradigm in political economy, a new model to interpret reality and to guide actions. At the Zurich consultation on "Political Economy, Ethics and Theology: Some Contemporary Challenges" organised by the Commission on the Churches' Participation in Development and the Department on Church and Society of the World Council of Churches in June, 1978, economists, social thinkers and theologians met to consider

the nature of current economic paradigms, and their correlation or lack of correlation with political economic reality, viewed in the perspective of Christian faith.

At this consultation there was a consensus that the old paradigms are inadequate. They do not take into account ecological and resource limits and the physical sustainability of the economy. They are highly oriented to economic growth, but produce stagflation. They neglect the increasing tendency toward transnationalisation and concentration of capital and production. They also neglect institutional and political factors as vital determinants of patterns of economic development.

Persistent injustice should be a central concern of political economic activity. Inequality in the distribution of power, wealth and knowledge and the prevalence of structures of domination and dependence are expressions of injustice. Justice cannot be introduced only after production is completed. The production process itself should imply people's participation in decision-making, the elimination of inequalities in income and wealth and efforts toward greater self-reliance and toward an ecological balance.

Justice, participation and sustainability are the basic concepts in the ecumenical debate on development. Thereby justice should not be considered as an atomistic and distributive concept, but as related to structures of political and economic relations. The policy of real participation of people in decision-making has far-reaching consequences for the organisation of the economic process, including the workings of the market mechanism and the degree of centralisation of decisions. The aim of sustainability implies that longer term factors, also of a non-economic character, be given a central place in the analysis.

A new paradigm of political economy should give sufficient weight to the historical dimension, should be integrative instead of reductionist and therefore imply an analysis of the interactions of the social, economic and political systems. The focus in economic analysis should not be self-interest but common social concern for the well-being of all. This has to do with the values generated in the process of production itself. Therefore an explicitly normative economic theory is required.

To understand development processes and the character of international economic relations requires an analysis on the basis of such a value-oriented paradigm.

#### Oaxtepec: Toward a New International Economic Order

As the 1980s begin, we witness a growing international economic crisis and deteriorating international political relations. For the majority of the world's population the economic perspectives are gloomy. Hunger, unemployment and oppression for many go hand in hand with overdevelopment for others, with a speeding up of the arms race and with uncontrolled economic power for a few. To a certain extent this is due to irresponsible decisions by individuals and groups: it is, however, mainly a result of the prevailing national and international systems.

In our Oaxtepec paper we analyzed the root causes of the present international economic disorder. We supported the claims for a new international economic order. These are justified: the present international economic crisis, of which the poor are the main victims, asks for a wholly new approach. The present system failed. It created inequality and inefficiency (overutilisation of scarce resources and high unemployment). Therefore, a new system is required which is worldwide in scope and which integrates both economic and political international relations.

The efforts of the fifties and sixties to eradicate poverty were not successful. The first and second development decades failed. The quest for a new international economic order in the seventies was answered negatively by the rich and powerful nations, frustrating the expectations of the developing nations. Inequalities in wealth, welfare and power have increased. In shifting an undue portion of the burden of the international crisis to the weaker parts of the world population, the rich countries have contributed to that increase.

In Oaxtepec we concluded that the new protectionism hurts people in developing countries and hampers the restructuring of world agricultural and industrial production. The energy policy of the industrialized countries limits the access to and the use of energy by poor people and by future generations. The arms race provides all too easy an excuse for refusing adequate resources to end poverty. The increasing tendency of the super powers to deal with world problems just among themselves weakens the UN. The actions of the same countries to increase their spheres of influence hamper a self sustainable development for most Third World countries. And their support of transnational corporations increases the risk that economic development in the future may not be controlled by the people themselves and by their chosen representatives.

Since an ever growing part of the world's population finds poverty unbearable, it is extremely urgent to chart new policies and to take actions, to serve the interest of all peoples, both in developing and in industrialized countries, in South, East and West.

In this paper we will try to sketch the different possible scenarios for such action. In our view fundamental structural changes both in international relations and within countries - developed and developing - are required. These should be implemented in the last two decades of this century. If we fail to do so, poverty will be even more widespread and the chances for the survival of humanity as a whole will be diminished.

## CHAPTER II

### THE SETTING OF THE EIGHTIES

#### Introduction

The decade of the 1980s has been heralded by the intensification of economic, political and cultural conflicts which words such as mutuality, interdependence and enlightened self-interests can no longer disguise. The reality of conflict and confrontation and its depth in contemporary international relations may lead to innovative strategies for constructing a people-oriented international order. Therefore, we need a radical analysis and criticism of ideological assumptions in the 1980s if new orders are to genuinely serve people and their human needs.

The suffering and the oppressed have a standing demand for liberation from the forces of domestic domination, internalized imperialism and colonialism and their international linkages. Anticipating this revolutionary potential these forces have become more aggressive and militaristic in their orientation, thus intensifying the arms race and protectionism.

The challenge to domestic and international structures of oppression and domination marks the ushering into the world of the 1980s. The overthrow of some oppressive regimes in Latin America, Africa and Asia has strengthened the people's awareness of their power and right to manage their own affairs. Nicaragua, Uganda and Iran are just a few examples of people who have overthrown oppressive dictatorial regimes.

Some manifestations and embodiments of the people's power are presented here. This cannot purport to be a comprehensive survey but does illustrate the nature of the challenge. It is intended to underline the call for a truly political economy.

#### The New Role of the Poor

For the poor and the oppressed of the world the last forty years of growth-oriented development have been a "lost promise" and a "myth". Their conditions of existence have worsened due to the crippling development policies followed by their own governments and reinforced by international linkages, thus increasing poverty and human misery. Instead of leading to social justice, economic development, self-reliance and people's participation, these policies have integrated more deeply the poor countries in the capitalist economy, worsening economic inequalities, and political coercion by anti-democratic and unrepresentative regimes.

One of the major political forces of the 1980s is the poor and the oppressed rising against the forces of imperialism and of domestic domination. Any future organization of the world must take into account the cultural, social, economic and political priorities of the poor and the oppressed. They are the great majority of the world's population and, therefore, must become the subjects, and not merely the objects, of development. They offer the world's largest potential for the restructuring of the socio-economic, political and cultural order. Primacy of



the poor and the oppressed will force the international reorganization of the world to go beyond the mere restructuring of economic and financial relationships to address itself to the total reordering of all power relations on the local, national, as well as international scale. Although the power of mobilization of the poor and the oppressed is already felt in domestic politics in many countries, its international dimensions in a world of globalized economic relations need to be brought into focus.

It is the excluded, the oppressed, and the exploited who have paid the highest price for the prosperity and the power of the affluent and the mighty, domestically and internationally. A just international order in the 1980s will only come about with a worldwide recognition of the right of the poor and the oppressed to set their own agenda in the light of their socio-cultural experience and social biography, in a context of human solidarity.

### The Islamic Resurgence

The Islamic resurgence cannot be understood apart from the general uprising of the poor of the world. But it would be a serious mistake to regard it as a monolithic phenomenon with a unitary centre. There is a great deal of variety and plurality in the numerous manifestations of Islam in various countries and continents. Although Islam is a majority religious faith in many countries of Asia and Africa, it is also a large but minority faith in a large number of nations in those continents. Its implications must be understood in the level of nations as well as in the perspective of the restructuring of international relations. In nations where it is the religion of the majority, Islam must be seen as an operative constitutional framework for the ordering of society in declaredly Islamic states and republics.

As the demand for Islamization of Muslim societies intensifies, it raises the issues of the human right to other religions for cultural minorities living within Islamic states; and for Muslim minorities living in other states.

The reassertion of pan-Islamism and national Islamic movements are forcing recognition of their power in modern international relationships from which they have been excluded for a long time. Despite various contradictions within various Islamic societies, there is a broad recognition that Islamic nations within the countries of the Third World have their own self-identity. A mutuality of interests exists with the other Third World forces, but Islam calls for autonomous recognition of its power and reach in the world. The Islamic nations, especially those experimenting with Islamic systems of government, are trying for restructuring of their values and institutions in accordance with their own cultural and religious ethos. In some cases they have openly rejected foreign social economic models and are laying foundations upon the power of Islam as an autonomous force which should control its material and human resources in the interest of economic justice and Islamic ideals of life.

Some of the Islamic forces are also calling for the total restructuring of economic and political power in the world in which Islamic nations



could find their own place and play a self-reliant role. This is based on the recognition that Islamic nations have a high degree of control over the supply of the most vital sources of energy on which the prosperity of the rich and powerful nations has been built for the last half century. The collective self-reliance of the Islamic world may lead to the massive redistribution of world power in the 1980s and may create new tensions and possibilities in international relations.

### Eastern European Socialist Societies

Socialist societies in Europe have become an important and historically meaningful reality for many countries of the Third World. They represent attractive examples for those who choose a "non-capitalist" way of development. Millions of people are regarding the socialist revolution as the only possibility for a profound structural change. However, the socialist countries also experience several difficulties in their economic and political development. In spite of well-known differences, the Eastern European countries are, to a certain extent, interdependent in a world-wide context of development: the energy crisis, the oil crisis and the crisis of the monetary system of the Western world made rapid development more difficult. The international relations of socialist countries, especially in aid and trade have been hindered.

The endeavour to provide effective help and show solidarity with the poor nations is inherent in socialist thinking. The churches and religious communities in Eastern Europe - among them WCC member churches - are deeply involved in the support of the socialist development, although at the same time they reject the atheist character of the Marxist-Leninist ideology.

They seek to strengthen the humanistic character of society and the moral foundations of family and community life. They also support personal security for every citizen including health care, free education and training. They struggle at the same time against anti-social oppressions, such as selfishness, alienation, both from self and others, and irresponsible use of material and spiritual goods. These efforts and struggles need to be more and more integrated into the development of society. The most important Christian contribution in socialist Europe is, however, the path of peace, justice and solidarity in church and society.

It is time for the ecumenical movement in the 1980s to free itself from the constraints of the Western liberal capitalist experience and the Western traditional Marxist experience and take a fresh and critical look at many nations who are struggling to create a new human future for their people. Some nations, for example, Burma, Cuba, Mozambique and Tanzania, have struggled to restructure their relations with the international political economic system, including in those restructurings varied elements of "delinking". They have striven to achieve self-reliance culturally, intellectually and economically, as well as politically. The principle of greater equality, including ceilings, and of eradicating poverty have, in different ways, been central in each experience. Each has accepted increased scarcity of resources as a price of increased self-reliance.

These and many other societies, have gone through tremendous human and economic suffering in order to stand on their own feet. Their experience will provide valuable lessons for those struggling to create just, participatory and sustainable societies within the constraints of poverty. Surely there are many mistakes and failures of perspective and performance within these societies, yet, they should not be used as an argument against learning from these bold social experiments in self-reliance and mutuality.

In this regard, China has already begun to make its impact upon the existing patterns of international politics. A detailed empirical analysis of the results of China's experience is beyond the scope of these comments. However, it can be said that some of the basic issues coming to the forefront, such as people's participation, self-reliance, delinkage and emphasis upon domestic needs over against internationally oriented export economies, have been part of the basic orientation of China's experience. Economic thought in the 1980s may profit from shedding some of its rigid misconceptions to consider seriously the Chinese experience in development. The realities of the 1980s must not ignore China's experience with delinked development strategies and priorities. However, there is also a necessity of looking at China's new eagerness to become part of the existing patterns of political and economic relationships.

#### Justice and Peace in the 1980s

The issues of armament, militarization, and the possibilities of nuclear conflicts have a direct bearing upon development in terms of the sovereignty of the people over human and material resources. People have often been frustrated by the military and national security apparatus of national states. New reasons have been found now to continue, intensify and legitimize the ongoing armaments race. There are active moves also to broaden the existing conflicts through the revival of cold war strategies. This could have potentially destructive effects upon the movement toward people's sovereignty. The social and cultural effects of militarization in contemporary societies should be clearly brought into focus in the 1980s.

Facing the most urgent questions of the 1980s, the ecumenical community stresses the profound necessity of the maintenance of world peace. In the eventuality of a Third World War, the nuclear threat would endanger not only the development of humankind but the very survival of humanity. The ecumenical movement contends for the idea and the praxis of peaceful resolution of conflicts and tensions between nations. In this context, disarmament, and particularly, nuclear disarmament, remains the focus of interest of the whole world. The biggest powers, the USA, the USSR and others who have nuclear weapons (United Kingdom, France, China, India and, perhaps soon, Brazil) have to take over much more responsibility for the future of humankind than ever before. It is not only a desire of the ecumenical communities, but also a historical necessity that all problems between nations be solved by means of peaceful negotiations, to avoid an immediate military conflict, to eliminate the existing ones as soon as possible. All bilateral or multilateral agreements in the direction of disarmament and of a peaceful development are highly appreciated because disarmament seems to be one

of the crucial conditions for the solution of questions like hunger, poverty, pollution, inflation and unemployment.

The new armaments race, nuclear proliferation and continuing militarization in the 1980s, will enlarge the possibilities of a world war.

It is generally recognized that there is a direct relationship between the existing economic crisis and the military-industrial-techno-bureaucratic complex in the militarization of many nations of the world. Therefore, the necessity for peace must take into consideration the real forces of unrest which distort national and international priorities leading to massive waste of human and material resources.

The necessity of peace, however, should not become an excuse for the continuation of domestic tyrannies or the international maldistribution of power. Lasting peace can only be a consequence of just relationships and just distribution of power, both nationally and internationally. The struggle for justice in essence is the struggle for peace and human survival.

The struggle for social and racial justice in Southern Africa must be seen in this context. While the origins of racism in that region go back to the time of European settlement, it was mainly international capital and technology during the last thirty years which produced the present-day massive exploitation of the many by the few. Racist ideology is the cover-up for a deplorable economic reality. If, in the 1980s, power is not returned to the Black majority by peaceful means, their growing self-awareness is likely to explode the apparent new flexibility of the apartheid system.

The biblical resources available to the churches can help enlarge their understanding of the comprehensive nature of justice and peace. Justice is the end of oppression and domination. Peace is the consequence of the establishment of the Kingdom of God. Therefore, the churches cannot be satisfied with merely avoiding the confrontation between the East and the West, or the North and the South. They must struggle for a more comprehensive peace based on God's justice and love for the poor and the oppressed of the world.

#### Weakening of International Organizations

The multilateral and multinational instruments created with the declared aim of responding to the needs of the majority of the peoples have actually tended to secure the interests of the few powerful nations and interest groups of the North. These organizations have weakened to a point where their ability to serve even the interests of a few has been seriously called into doubt. There may be greater emphasis on unilateral action and bilateral approaches in the form of new alliance systems which would pose serious dangers to world peace and to genuine international cooperation. Basic structural changes in international organization will be required to make for real participation of the vast majority of the peoples of this world. The changes must be based on the assumption that all peoples of the world have a moral, social and political right to participate in the direction of all institutions of international cooperation. These changes will be necessary if the world society is to make a start toward justice, participation and sustainability.

## Human Rights and the Struggle against Repression

The WCC gave special emphasis to the struggle for human rights in the 1970s because of the existence of oppression and repressive regimes all over the world. The rise of special types of repression in the name of economic growth and national unity gave special urgency to the issues of human rights. The eighties begin with a worsening of the prospects for economic growth, for increased violence and repression all over the world. This will further frustrate the struggle for human rights, while the people's consciousness with regard to their own ability to order their future will grow. Therefore, we can expect serious confrontation between the oppressive forces and people's movements for selfhood. It will force some hard choices upon those who struggle for just, self-reliant, participatory and sustainable societies.

## Rise of New Conservatism

The peoples of the Western industrialized nations have confronted a tide of domestic economic troubles - rapidly increasing energy costs and the difficult adjustment to them, widespread stagflation with its disconcerting and never ending price rises and the highest unemployment levels in a generation. Economic growth has slowed markedly, sapping the confidence in the strength of their political-economic system, while Third World criticism has questioned it more strongly and revolutions have challenged it more deeply. For the unprecedented number of youth, born in the decades immediately after World War II, the troubling economic conditions at home have turned their attention inward to their own difficulties in finding jobs and making their way in a time less promising than they had expected. For many, the harsh critics abroad and the denunciation of Western values provide further excuses to concentrate on their own problems. Consequently, the peoples of the industrialized West may be less responsive to the cries from, and needs of the Third World than in the past two decades.

## Conclusion

The problems of poverty, injustice, violence, militarism, exploitation, wars by proxy, security and massive misuse of vital resources of humankind, and part of other problems will persist in the eighties. But so will the struggles of the poor and the oppressed. New solidarity among them and their movements will be forged in the 1980s. Current political and economic thought and strategies may not be able to provide guidance for either reflection or action. The ecumenical movement of the 1980s will be called upon to provide fresh insights for action not only in the perspective of Christian faith but by taking into account the whole range of human experience.

The ecumenical community has already made a beginning by emphasizing the necessity and desirability of a new political economic and theological paradigm which would serve as a guide for analysis, understanding and action. Such a paradigm should be based on a human perception of reality in all its variety and plurality. As the CCPD Zürich Report, Political Economy, Ethics and Theology: Some Contemporary Challenges, pointed out:

The Christian assumption is that the human being, both individually and corporately, is capable of both good and evil, and that each generation, as stewards of creation, has a responsibility to God for contributing to the struggle for more justice in society: for naming and struggling against the principalities and powers which in varying institutional manifestations confront every human society.

This paradigm must be an integrated one if it is to aptly serve the ecumenical movement of the 1980s. Its operative understanding should be drawn from the perspective provided by the struggles of the poor and the oppressed for just, participatory and sustainable societies. Its economy should be based on the common social concerns of all the peoples of the world. Its policy should enable the people to order their total relationships in accordance with their socio-cultural, political and historical biography. Its theology should be oriented toward Jesus, the Liberator of the oppressed and exploited, whose Father has challenged us to collaborate in the establishment of a Kingdom of Justice and Love in which the poor, the oppressed, the exploited be the first citizens. The construction of a new order based on justice and human solidarity is not an end, but an announcement of the Kingdom of God.

## CHAPTER III

### SCENARIOS AND VISIONS FOR THE FUTURE

Never in history has humankind achieved so much economic progress as in the past 25 years. Still the basic problem of poverty afflicting the vast majority remains unsolved.

In the 1980s, although phrases like "New International Economic Order" or "North-South dialogue" might lose their relevance or significance, the world will have to face more squarely than ever the fundamental problem of alleviating poverty, deprivation and exploitation in developing countries.

The affluent countries are, understandably, reluctant to change the delicate balance of global politico-economic power which they have built up and maintained since long. They have strongly resisted any policy that might affect their command over power and prosperity.

It would be wrong to argue that all of these changes have been negative. However, the preceding sketches of the recent past and of the forces and trends at work today show clearly both the limits of achievement, especially as perceived by the poor and oppressed peoples and societies, as well as the dangers inherent to the problems projected for the 1980s. At the same time they show the need for an abiding struggle for justice and participation. This struggle offers a real hope for influencing the course of events.

In considering the future it is not adequate to look at individual problems and issues one by one as if they were not interrelated and as if actions in one sector did not necessarily interact with results in others. Therefore, it is useful to look at three broad scenarios or visions of the future. The first can be termed "Continuation and Reinforcement of the Existing Order"; the second, "Organizing for Change around Long-term Complementary Self-Interest"; the third, "Toward a Just, Participatory and Sustainable Society".

If we accept that humanity is at the centre of development and human beings are its subjects and not merely objects, scenarios and visions must be tested against that principle. If distributive justice, people's participation and sustainability are valid normative values, there can be no neutrality among scenarios which advance and those which run counter to these values. Institutional and technical approaches are not alternatives to values and ideological organizing principles but rather means of implementing them.

#### Continuation and Reinforcement of the Existing Order

"What I have, I hold" is the theme. "The old order has served the world well" is its justification. The vision is of a born-again Bretton Woods with a few minor imperfections removed and the minor disorder of 1969-79 put behind in a renewed drive for growth and modernization.

As with other scenarios there are variations: those propounded in the Northeast vary from those in the Northwest. Frightened trade unions in the North do not wish to return to the 1960s for the same reasons as frightened elites in the South. But the simplistic equation of progress and greater production, the rejection of even considering structural changes and the tacit acceptance of patterns of domination and dependence, of inequality and centralization of power are common to almost all variants.

Two quite different challenges can be made to this scenario. The first is narrowly practical. It cannot work because it misreads the continuing crisis of the 1970s as minor and reversible and ignores the structural collapse of the order it seeks to perpetuate. To recreate the 1960s is not possible - to attempt to do so will lead to continued economic stagnation, increased political and economic strife (nationally and internationally), very real dangers to peace (nationally, regionally, globally) and increased repression in the South, the Northwest and the Northeast.

The second challenge is ethical. The old order was not centered on human beings but on material things. For the poor, exploited, oppressed majority it brought, at best, very limited gains. Its claims to be consistent with distributive justice and people's participation rested on the assertion that eventually high growth would "trickle down". Since this did not happen when the system worked well in its own terms over 1945-1969, it is still less likely to do so in the future. Sustainability was mechanically brushed aside on the grounds that science solves all - a creed that many national scientists are today as adamant as the poor in rejecting.

#### Organizing for Change around Long-Term, Complementary Self-Interest

A different scenario has been proposed, most coherently in Facing the Future, the OECD Interfutures Report, but in parts also in various Tri-lateral Commission and UN documents, as well as in a number of Third World and international conference proposals for negotiated change. This scenario rejects attempts to recreate the 1960s and accepts the reality of the New International Economic Disorder. Therefore, it accepts the need for and calls for the purposeful management of structural change.

To suggest that the variants of this scenario are no different than those seeking to recreate the past is inaccurate. Equally misleading is the argument that the changes proposed are minor or of no interest to peripheral and northeastern as well as to northwestern economies.

This scenario is based on attempts to identify areas of long-term, complementary self-interest and to combine them into a workable package. TNCs, industrial economy trade unions, the absolutely poor, oil and mineral producing states, newly industrialized countries (NICs), advocates of new life styles - all are considered. Even collective self-reliance - and basic human needs - oriented strategies in poor peripheral economies are assigned places in the scenario. There is explicit acceptance that unbridled geometric growth is socially as well as ecologically unsustainable. This is combined with the case that redistribution out of addit-



ional output is less divisive than redistribution of present output ("redistribution with (out of) growth") and a qualified belief that over two decades most physical resource constraints and most pollution problems can be reduced to manageable proportions by selective use of science and technology. Moderate, selective growth is forwarded as a desirable target.

The key international economic order elements in this scenario are:

1. alteration of employment structures toward services and high technology industry in more capitalist industrial economies and of employment patterns toward more flexibility and less working hours;
2. alteration of employment structures toward industry in middle income (this scenario includes socialist European) economies and selected peripheral economies;
3. major alterations in production structures toward a new international division of labour with more prominent roles for NICs, socialist European economies, major raw material producers;
4. restoration of international growth through "international Keynesianism", including the employment production shifts combined with massive increases of international financial transfers (commercial and concessional);
5. use of the managed market (operated largely by TNCs, socialist state corporations, NIC-based mixed enterprises) to provide the main dynamics of production and distribution;
6. supporting the market with state management to ensure minima - e.g., in food, in respect to excluded groups and the "least developed" economies - and to avert chaotic competition leading to intolerable stresses.

On the level of practicability this scenario has more coherence than the present trends. It seeks to draw on the past production dynamics of capitalism, the safety net-providing tradition of welfarism/social democracy, the managerial, market supporting elements of Keynesianism, to create a workable strategy. It has vision as well as mechanical coherence. However, that vision to date has not proved saleable - self-interests have proven to be more conflicting and short term than complementary and long term. Very disparate groups - NICs, some TNCs, small capitalist firms, farmers, trade unions - have perceived themselves as threatened and rendered the Trilateralist, Interfutures scenario quite non-operational to date. Whether a more compelling political/social rallying cry can be raised in the 1980s remains problematic - crises do concentrate the mind, but not necessarily in favour of planned change.

On the normative level, the complementary self-interests strategy is also open to serious question. It does to a degree replace maximum production but more in favour of a central role for managers and management than for human beings as such. There is a concern for distributive justice but a very specific one for minima and for reduction of inequalities if (and only if) they are so blatant and divisive as to threaten the continuation of orderly management. Participation in the sense of a role for each resource, each worker, each power group, each economy is a central theme. But the participation is clearly hierarchical, elitist and ultimately centers on the incorporation of a broader range of elites that have a

stake in the maintenance of the present system. This is not the same participation of which the gospels, the peoples' movements or the WCC have spoken. Sustainability is a test this scenario might pass were it to become operational, at least over a twenty-year period. The views of nature and of environment are mechanistic but do include sound management. The outlook on social sustainability is that of crisis management by cooption and incorporation but does seek to avoid stresses leading to revolt and the need for repression. The limitations of the long term complementary self-interests scenario in terms of struggle for justice, participation and sustainability are quite as clear as are its advances on the maintenance of the status quo.

### Toward a Just, Participatory and Sustainable Society (JPSS)

Can a political economic scenario centered on human beings and oriented to the struggle for justice, peace and sustainability be constructed? Is it possible in this world and at this point of history to place the poor at the centre and to reach out with the excluded, the exploited, and the oppressed for a vision broader than safety nets, cooption and managed welfarism? These are not rhetorical questions.

A positive answer requires a vision as well as a scenario. Not a vision in the sense of absence of articulated analysis and institutional proposals for implementation but in the sense of beginning with an explicit set of normative values, proceeding from these to envisage patterns of relationships which best incorporate those values and only then turning to technical and institutional analysis of ways and means to set and to move toward initial, imperfect, interim targets.

JPSS - under a wide range of names and with variations in stress and content - is not a vision unique to the WCC, to Christians or to the 1980s. However, all variants have been limited not so much by lack of interim targets or of institutional proposals as by failure to articulate the principles of the vision so as to embody them in a consistent pattern of relationships. Without that, specific interim proposals and partial targets become isolated and incoherent and the scenario fades into the long term, complementary self-interests one.

What most urgently needs to be discussed, debated, reflected upon are the main elements for articulating the vision of a society characterized by the struggle for justice, participation and sustainability and centered on human beings as subjects and as moving forces. These elements need to be explored and to be related to one another before seeking to draw up interim targets or new blueprints.

Some themes related to the articulation of that vision are structural changes, interdependence, the need for collective self-reliance and the survival of the world economy. Let us briefly discuss them one by one.

### Structural Changes

Any attempt to tackle poverty in the developing countries on the international front requires changes in the structure of the world economic

relationships. Marginal concessions cannot substitute for a genuine reform. Moreover, the marginal concessions, without the structural changes, cannot come to grips with the real issues.

For example, when it comes to international aid programmes, much of the discussion centers around how to halt the declining trend in aid, even though it amounts to only about 0.3% of the GNP of the industrialized countries. Much less attention is paid to military expenditures of these countries which amount to 4% to 7% and in some cases upto 12% of their GNP.

Similarly, in commodities, attention has been concentrated on the US\$ 9 billion proposed for the Common Fund to stabilize commodity prices. Far less attention has been paid to the structures of production and barriers to trade which largely limit developing countries to primary production and initial processing. International trade and transport as well as processing and manufacturing are dominated by First World-based enterprises. As a result, the earnings from international services and processing/manufacturing of Third World primary product exports are of the order of US\$ 150 billion. Structural changes in the location of processing/manufacturing and of provision of international services are, therefore, central to the political economics of commodities and to global division of income.

No country in the 1980s can solve its problems in isolation and there is no alternative to real collaboration if economic growth is to be promoted and sustained. Therefore, the community of nations needs to establish a plan for the future which can relate the world's vast resources to human needs. It must seek a planned, purposeful, joint intervention to alter the course of the world economy for the benefit of all. Consequently, the community of nations also needs to find equity in administration of the world's resources, investment, production, consumption, distribution and welfare, by ensuring a corrective balance among the nations.

### Interdependence

In the last years, during the discussion on international development, much attention has been given to the concept of interdependence among nations. Often this is referred to as mutual interests of nations. These concepts play a considerable role in the OECD thinking on development. It is said that interdependence, e.g., mutual interests, will, or should, constitute the major motive for global measures to manage the world economy to the benefit of both rich and poor nations.

There is, indeed, interdependence to a large extent. The industrialized countries increasingly depend on imports of raw materials and energy from developing countries. The markets of the developing countries are becoming more and more important for the exports of the industrialized countries. Developing countries, moreover, provide investment opportunities for the capital of industrialized countries; they often supply labour, both unskilled and highly trained, which can fill the gaps in manpower availability in the West and which is relatively cheap.

These relations point in the direction of mutual benefit: economic growth in the North does have a spin-off for the South, and increased purchasing power in the South will function as an incentive for growth in the North.

However, a further dimension of this issue should also be discussed.

First, while these complementary mutual benefits are indeed real, it is debatable whether the rich countries are so dependent on these that they cannot live without them. Inward-looking policies of rich countries are being adopted which - though at high cost for these economies themselves - neglect the economic interests of the South.

Second, there is a high degree of inequality between North and South. The South is much more dependent on the North than the North is on the South. The mutuality of interests resulting from this relationship is highly unbalanced. The rich countries use the issue of interdependence in order to continue to use their economic power to exploit the Third World's resources mainly in their own interests.

Third, the concept of interdependence is highly related to the existing international market mechanism. It refers to the flow of goods and services, capital and labour. The international market system has received serious blows in the seventies. There is the danger that rich countries and transnational corporations try to overcome the crisis, not by aiming at a new international economic order based upon equality, but rather by strengthening the present international market system by integrating more deeply into it parts of the Third World. These would include those parts of the Third World, which are, at present, closest to that market and whose integration is considered important, especially for the interests of those who have accumulated wealth and power. Such an integration may include exporters of essential scarce resources, like energy, and major potential export and investment outlets among the middle-income countries. The integration of other, big and poor, developing countries might be considered "unnecessary". Moreover, there is a tendency to further integrate into the present international economic system, on the basis of the interdependence motive, only those sectors of developing countries which are already highly oriented to the market. This will increase inequalities within developing countries and strengthen the dualistic character of their economies.

The concepts of interdependence and mutual interests can be fully accepted only within the framework of the third scenario, JPSS, i.e., if they are linked with the concepts of equality and self-reliance, and if action and reflection in these fields are also based on the notion of solidarity. Equality, self-reliance and solidarity lead to policies which support the Third World instead of neglecting or exploiting it. Equality and solidarity demand a new international economic order in which not only the Kuwaits and the Singapores, but also the Bangladeshs and the Malis become real partners of all the other nations including the traditional economic powers.

These traditional powers then will have to choose international and national economic policies which are fundamentally different to the current ones. At first sight they may consider this a major step backwards. It is a step backwards to the extent that they have to give up their capacity to use their surplus of economic power only in their own interest. But at the same time, policies leading to a just, participatory and sustainable world society will ultimately be to their own advantage and to the advantage of the future generations of the rich countries. Efforts to maintain the status quo are not in the interest of these future

generations.

International inequality and instability - economic, social and political - will increasingly affect the interests of the rich. People in both rich and poor countries have an interest at stake in the survival of the world economy. Pollution, over-utilization of scarce resources, economic chaos and a nuclear war will in the end affect all peoples alike irrespective of where they live or how rich or poor they are.

It is, therefore, in the interest of the people of the rich countries themselves, to give priority to equality within their borders, to full employment, to emancipation of women and minorities, to an improvement in the quality of life, to conservation of scarce resources, to participation in decision-making, instead of following the present tendencies towards inequality, bad economic opportunities for women, high structural unemployment, increasing centralization of political economic decisions, heart attacks, waste and alienation. Sustainability, next to justice and equal participation, asks for changes in the international and national systems alike. Indeed there are mutual interests, but mutual interests in change.

#### Need for Collective Self-Reliance

Another challenge of the new decade is that the developing countries, for the first time, are not interested in discussing individual issues like aid or commodities as in having stakes in the international economic system. They want to have a share in making decisions and in formulating policies on production, employment, technology and investment in the world economy. They want to participate in the process of world economic progress and to become active and equal partners with the economically and technologically advanced countries.

In the face of the failures of the major UN conferences in the 1970s to produce any significant results to this end, the developing countries have, in order to raise their bargaining power, turned to strengthening the economic unity among themselves - philosophically termed as "collective self-reliance" and known as "South-South dialogue". The Third World countries need a concrete programme for economic cooperation among themselves to accelerate the process of collective self-reliance.

#### Survival of the World Economy

If the countries of the North are interested in survival, basic changes will be necessary with respect to technological development, consumption patterns, use of natural resources and systems of economic decision-making.

New social systems need to be evolved with respect to the role of women, educational priorities, environmental protection and inter-personal relationships.

Very fundamental changes are in the offing and will tend to transform the entire life pattern of those countries.

## CHAPTER IV

### STRUCTURAL CHANGES IN DEVELOPING COUNTRIES

To ensure development for the world's poor, two general conditions are necessary: significant changes in the world economic order alongside far reaching internal political, economic, social and institutional changes. Developing societies should have no doubt about the need for internal structural reforms if a just, participatory and sustainable order is to be ushered in. Their members should understand that the struggle for liberation from the shackles of exploitation and domination has to be waged at all levels - on the national front no less than on the international arena.

Of what significance is the Integrated Programme for Commodities to the poor in the Philippines? Little, though the elites and power groups may find it very significant. Efforts to expand exports under the programme, in the end, might mean less food and medical care to the needy in the less developed countries, while exporters triple their earnings.

People should be the primary instruments of development. There is need to place in the hands of the people the means to break down political structures of external and internal exploitation and control and to effect the needed changes.

#### Self-Reliant Development

The core of a self-reliant development, is the effective control by the people over their country's natural resources and production. This would imply effective control over the activities of transnational corporations within national boundaries as part of the process of "selective and gradual delinking" from the international market economy. Such changes will allow the emergence of a new national order based on the general welfare of the people rather than on the attainment of higher profits. The tendency toward increasing monopolization and centralization of power can thus be reversed and the whole economic process can thus be reoriented. Redistribution of wealth and income should start with the redistribution of power for the people at the production level of the main sectors of the economy.

Due to the increasing integration of Third World economies in the capitalist division of labour, large segments of their natural resources and production follow accumulation policies of international capital instead of being oriented to the possibilities of the countries and the satisfaction of the basic needs of their people. For this reason, it is extremely urgent that Third World societies effectively seek self-reliant development, based not on external demand but on internal potentialities to fulfil the people's most urgent needs. That is the only way a country could avoid being restructured from outside. Reshaping external relations goes hand in hand with new structures of production.

## Reorganizing the Structure of Production

The experience of the developing countries has shown that if the question of what is to be produced is left entirely to the forces of the market, external factors are allowed full play, external values tend to become dominant and production is geared toward luxury and superfluous commodities, to be generally consumed by the privileged sectors or else to be exported. The pressing needs of the people remain unsatisfied. Therefore, a plan of social ownership and participation in production, as well as in investment decisions is needed so that priorities are given to the production for the basic needs and to setting the roots of an autonomous and self-sustainable development. Such a process should lead to an increasing internal coherence between resources, potentialities and people's needs and aspirations. A selective relationship with the international economy for controlled cooperation in production, technology, trade, finance and services, could then have a positive effect on the country's economy.

The reorganization of production should open the way to real participation of the people at all levels through a process of planning and social control of the major productive sectors of the economy. It is the people's values that should animate the reconstruction of society, not the values of private profit for the few, whether national or foreign. Only if this transformation is attained will it be possible to talk of a real new strategy of development which fosters justice, participation and sustainability by means of a change of actors, of forces, of motives and of values.

## Impact of Transnational Corporations

The continuing penetration of Third World economies by transnational corporations poses formidable problems. With the substantial value of national resources diverted by transnationals from their headquarters in their home state, the economic plans of many young and weak states of the Third World are naturally threatened. The "globalization" of the private interests of the transnational corporations sooner or later clashes with national interests. In practice, such a natural clash of interests causes the economy to be deflected from moving forward along autonomous lines.

The presence of transnationals decreases the degree of local control over the directions of the country's industry and economy. Ultimate control of transnational subsidiaries is exerted by the headquarters, whose view of the firm's development is essentially global. Thus, the present and the future activities of a particular subsidiary depends primarily on factors other than the prospects of the local economy and society. When talented national entrepreneurs are enticed into working for transnationals, there is less likelihood that there will be effective, assertive leadership to move the country forward along autonomous lines. Rather, these entrepreneurs and young managers working with transnational corporations become "denationalized". In fact, a major function of such "denationalized" technocrats is to serve as a cushion between the government and the transnational corporations for which they are working.



Likewise, financial power and easy access to the top hierarchy of government and business may be used by officers of transnational corporations, openly or covertly, to influence the domestic political process to their liking. The transnational corporations, through their tacit alliance with the ruling social groups, may, indeed, become obstacles to appropriate social and political development.

The mutuality of interests between transnationals and the ruling groups in maintaining the social order with all its inequities is, thus, fostered, the structural integration of the peripheral economies in the world capitalist economy is strengthened, and in the process, the traditional internal structural deformations in the developing societies are accentuated. In the ultimate appraisal, when the nature and destiny and the unique world-view of a people are more maturely pondered from the larger perspective of time and history, they may look in vain to the modern transmitters of cybernetics, capital, resources and know-how for those positive historical references which would recall a nation's image and identity and gather up those inner reserves of power that can, at a given stage of development, effectuate for a people that dramatic breakthrough from their chrysalis, as it were, and release those forces for massive social transformation encompassing social, cultural, economic and political levels. Self-reliance, i.e., the resurgence of self-strength, is indeed possible when a people are made to fall back on their historical antecedents as discerned from their own indigenous perceptions of reality. These internal forces and the directions they indicate for a people's long future are alien to the technocratic prescriptions of transnational corporations in spite of their magnificent promises of scientific achievement.

#### A New National Development Strategy

A new international order should go hand in hand with a new national development strategy which must give the first priority to the improvement of the lives of the most deprived strata of the population. The objective of such a strategy should not be so much the achievement of a certain percentage of growth in GNP but attainment of certain targets relevant to the provision of basic human needs. This would mean decreasing the number of people suffering from hunger, malnutrition and disease, without adequate housing and toilet facilities, without adequate employment or access to water supplies and clean air, without adequate transport and communication facilities, and correspondingly, an increasing number of people effectively integrated in the economy and enjoying the benefits of a harmonious development.

Food, clothing, housing, health, education, employment, personal security, and other basic human needs should be the core of any strategy of development. The right to work cannot be seen just as a macro-economic objective, but rather as a human right which may not be exploited. The provision of employment opportunities is, indeed, a social responsibility of governments which should guide economic, technological and social policies.

A new development strategy should seek to erase the economic dualism prevalent in developing societies. It should channel the fruits of eco-

conomic growth toward the most needy. And this, in turn, presupposes alterations in the structures of power, of economic benefits, and of the institutions which support the system.

Altering power structures is important for yet another reason. The growing militarization of many governments in developing societies creates political environments in which the sharing of decisions in political processes is precluded. As guardians of the ruling class, men in uniform decree what is right or wrong. Force is used to arbitrate disputes or conflicts of opinion, and organized violence becomes an essential ingredient of the apparatus of power in the name of national security. The increasing difficulties for pursuing accumulation of capital within old models of market economy, as well as for reshaping the economy in order to further integrate it into world capitalism, generates an increasing need for these types of social control.

### Human Rights and Development

Again, in every system where political power is concentrated and where popular control is not secured formally through constitutional restraints, violations of human rights become occurrences of everyday life. In a large number of cases, these violations take the form of physical torture, kidnapping, arbitrary arrest, cruel and inhuman punishment committed by political authorities or by their agents. Even in regimes which are supposedly less repressive, where governments are not accountable directly or indirectly under popular control, violations of the civil and political rights of the people are often committed with impunity. Freedom of expression, of assembly, of worship, the right to dissent or to form opposition parties - these rights are denied, often on the excuse that developing countries are too poor to be able to afford the luxury of concentrating both on economic development and on the promotion of human rights. Trade-offs, it is said, are necessary. This kind of argument, so often heard in developing countries, betrays a lack of respect for the worth of the human personality. Freedom from violations of the human person, civil and political freedoms, economic security - these are all important ingredients of human dignity. But the real outcome of repressive regimes is extreme concentration of power, wealth and income for the ruling classes, at the expense of increasing human suffering for the majority.

Too often also, ethnic, religious or political minorities are the objects of repression and persecution. Majorities and officials in repressive regimes see minorities as convenient scape-goats in times of national crisis. But in a society professing Christian ethics and inspiration, there is neither Jew nor Gentile. God's blessings rain upon all peoples of the world, and there is no objective standard of truth in faith, science or morals that government authorities can lay down for the people. Every person has a right to life and this carries with it the right to his own beliefs and to the pursuit of his own happiness.

### Development as a Liberating Process

Development should be given a wider perspective. It should meet the material and non-material needs of the people. The central issue, that is, development by whom and for whom, should be faced squarely. Only if

this is done can development be seen as a liberating process, as the creation of the conditions for societies, particularly those at present oppressed and marginal, to identify their own needs, mobilize their own resources and shape their future in their own terms.

In sum, our final concern in the 1980s should be to keep human life human under the stresses and opportunities of economic growth. Such a strategy for development should yield positive results in the lives of people whom, in moving poetry, Rabindranath Tagore has identified as the poorest, the lowliest, the exploited, and the lost.

## CHAPTER V

### STRUCTURAL CHANGES IN INDUSTRIALIZED COUNTRIES

During the last twenty years it has become customary to identify North America, Western Europe and Japan as either industrialized or rich countries. Sometimes they are referred to as the "West" or the "North". Australia and New Zealand are sometimes added, along with South Africa, although the latter's apartheid policies place it in a "special" category. The socialist industrialized countries can be grouped with the "North", though their relatively late arrival among the ranks of the industrialized countries, their technological lag - though narrowing - and their socialist economic structures usually set them apart from the capitalist industrialized countries.

The industrialized or rich countries find themselves subject to growing and insistent demands of Third World peoples for significant changes in their economic relationships. The former colonizers continue to occupy their position as long-standing, powerful trading partners of the developing countries. That continuation is now resulting in increased tension and resentment that may end up in serious conflict.

During the 1970s, the self-assurance of the leaders and the peoples of the industrialized nations has received a number of rude jolts, partly the result of the tension with the Third World, and partly the consequences of internal strains within the West itself. Among these jolts were the series of "oil crises" beginning in 1973, the US defeat in Vietnam, the spread and continuation of stagflation, declining productivity gains, slowed economic growth, the cultural-religious reaction of the Iranian people to Western penetration, and the successes of popular uprisings in various Third World countries that have toppled Western-supported local dictators. These events have disconcerted not only Western business and political leaders, but also the "man in the street". They have encouraged critics in the Third World to question seriously the West as a model to follow in developing their own nations. They have encouraged an inwardness and defensive posture that has led to belligerent and aggressive behaviour.

These challenges, accompanied by the beginnings of self-doubts, have not yet resulted in any widespread positive changes in attitudes among the political and economic leaders or the public at large. At international conferences, for instance, Western diplomats continue to reject demands of the representatives of developing nations for a fairer share of world power and world resources. The mass media do not inform the public well about these demands or the reasons for them; in such information as they do provide, they tend to suggest that dangers lurk "out there", which for obscure, but probably irrational reasons, threaten the West's good way of life. Since the peoples of industrialized nations have accepted the present life style as rightfully theirs, the "threat" seems exceedingly alarming.

Over the last decade or so, some Western people, as individuals and as groups, have earnestly begun to probe some of the assumptions underlying present political, economic and other ties of their nations with those of the Third World. Repeated involvement in disaster relief actions, development projects and refugee relief programmes were important first

stages for many in the "discovery" of the Third World. The war in Vietnam (and its non-ending successor tragedy in Kampuchea) was another important eye-opener for many. So too have been the repeated military interventions and subversive intelligence activities by various governments in Africa, Asia and Latin America.

All these activities and involvements have lifted the veil that had long hung over the disturbing reality of relations between the powerful and the powerless at world level. Christians, in particular, have begun to feel the sharp dichotomy between the collective behaviour of industrial nations and their millenia-old Christian traditions, rooted in ethical convictions such as love, forgiveness, sharing and community. Unfortunately, the equally long traditions of basically uncritical alliances between Church and states, of various political, social and economic forms, has long muted the prophetic witness of churches in this particular field. Only too often the secular and sacral establishments have appeared to be allied in justification of the basic elements of the status quo and of establishment thinking.

There is also a growing awareness that the Western social, economic and political system is far from being a desirable model even for the Western peoples themselves. For example, the slogan coined by the first Club of Rome report on the "Limits to Growth", has widely publicized the issue of the possible self-destructive impact of existing models of economic and scientific development. Among the most widely recognized are the invidious and destructive forms of mass production for trivial and wasteful use, the wholesale dispossession of family farms, poisoning of air and water through industrial pollution, uncontrolled urban sprawl and a medical care service that may have reduced mortality but increases morbidity. Employees caught up in hierarchies of large organizations began to realize that the movement from farm to blue-collar job to white-collar position may have been labelled progress, but that in fact it has impaired community, imperiled family and produced a pervading sense of alienation, destroying the ability to communicate and to join in community.

Stagflation not only has reduced economic growth and, for many, cut real income, but also produced the highest unemployment in more than a generation - at least 20 million persons in the industrialized countries. Particularly hard-hit have been youth, women and foreign labourers, many of whom came from developing regions, such as North Africa, Mexico and the Philippines. Many people react by angry rejection of threats to their own jobs or standard of life, and others, by doubting the principles on which such an economy and society operate. Many have concluded that political leaders are stumbling from crisis to crisis and do not know how to handle the new situation.

The widespread and continuing questioning, probing, re-examination, rejection and doubt are eroding the long-held, highly-valued faith in "progress" and the capacity of science to "solve" problems. In addition, the scepticism they have engendered has undermined institutional authority.

Perhaps that period of unlimited growth beginning over 200 years ago with the coming of the Enlightenment, is coming to an end. Christians need

not react negatively to the erosion of the philosophical and ideological underpinnings of modern Western society. They know, though only in part and not clearly, that other values, at once human and God-inspired, can and must replace the values of "progress" that appear to direct us toward destruction. The 1970s have doubtless seen the beginnings of and graspings for definitions of such values:

- (a) The new impulses provided by the youth revolt of 1968, among them, the desire for greater participation in political, economic and social decision-making and the growing doubt over the values of unbridled economic growth and material accumulation, have not been entirely lost. There has, however, been a discernible drift towards conservatism. A few of the original protesters of 1968 have turned politically conservative (such as "the new philosophers" in France). Others, in their impatience to change the existing order have engaged in terrorist activities. The negative response to the demands of the youth did not extinguish all the impulses that generated them or the new thinking they stimulated. They will continue to be a significant force in the 1980s.
- (b) The insistence of women on the right to equality, and, therefore, their demand to participate fully in economic, scientific, social and political life, not merely as it now exists, but in patterns transformed by the participation of women in basic structural decisions.
- (c) There is a new and more inclusive concern for human rights, including those of women and children, ethnic, racial and religious minorities, political dissidents, migrant workers, politically and socially repressed groups in the Third World, especially where the policies of industrialized countries and TNCs favour repressive regimes (e.g. in Latin America, Southern Africa, Korea). There has been a growth of movements in solidarity with those of like interests both within industrial economies and in the Third World. For example, the struggle for justice in South Africa, Namibia and Zimbabwe (Southern Rhodesia) became a matter of significance in the debate over the role of TNCs. Various groups have called public attention to human rights violations in countries such as, Chile, Brazil, Guatemala, the Central African Republic, Iran, Puerto Rico, Korea and the Philippines. These groups often alerted the public and the authorities to human rights violations that otherwise would have been overlooked or purposely ignored.
- (d) There is increasing questioning of the ultimate objectives of big technology. In which way does it enhance the quality of life? In which way is it a threat? The questions are clearly underlined by the debate over the building of nuclear power plants in many countries. By the late 1970s, their construction had become a major political issue. Similar debates have raged over the continuation of large road construction and giant building projects that contribute to pollution, use precious farm land, or inflict serious damage to nature and the landscape. Similarly, the installation of military bases, the placing of sprawling missile sites, meet growing popular resistance. While people generally have not questioned the need for electricity, roads, and a certain measure of military defense, there is a growing belief that proportions are being distorted, that the quality of life is being degraded and that even national security is paradoxically undermined by ever larger technologies. Opposition-

ists, nevertheless, are widely ambivalent. Criticisms are muted or uncertain when jobs appear threatened, or ingrained habits come under question (e.g., the way of life created by the automobile). The resolution of these ambivalences during the next few years is an important challenge.

These developments are among the many signs that a search for new values, new ideas and new institutional forms of society exists and is seen as important by growing numbers of people.

These developments often puzzle both those in positions of political and economic leadership as well as the general public. They sometimes oppose change strongly. Many fear the new, the untried or the experimental. They may recognize that the present system has weaknesses, but they do not manifest the will or the courage to seek for creative changes. The coming decade will, therefore, be a period of increased internal conflict within industrial societies over basic values and social objectives.

The populations and the leadership of industrialized countries must recognize, nevertheless, that as all recent evidence indicates, poverty and marginality in the Third World cannot be overcome by integrating parts of developing nations into the Western-dominated international economic system. Neither can the growing internal problems within the industrialized countries be met by recourse to measures that may have been useful in the past. For instance, the industrialized countries undermine their remaining credibility by advocating international cooperation on the basis of mutual interests, while refusing to admit the legitimate interests of the Third World peoples. They need to recognize the differences realistically and to resolve them on the basis of justice, participation and sustainability. Upon this basis they should build their international policies. They will then be socially effective and future-oriented; they will also certainly include structural reforms within the industrialized countries themselves. The following specific recommendations could be included in these policies:

1. There is a need to formulate research and investment strategies for developing new technologies in energy and resource use. The industrialized countries should offer their participation in research and investment to the developing nations in the creation of new energy technologies and others that can be used in the development of other resources. Such cooperation should also be extended to the OPEC countries, which do not have other satisfactory energy sources, once they have exhausted their petroleum deposits. The purpose of the offer would be the preservation of unique and irreplaceable resources for developing countries and for future generations. Only industrialized countries possess, at present, a large enough technological base to develop alternative and sustainable energy resources within the foreseeable future. This cooperation offered by the industrialized countries should be directed primarily to freeing remaining petroleum reserves for the developing countries without a sophisticated technology. It would be a policy of "energy for my neighbour".
2. There should be international cooperation on the basis of mutual interests to create means of income adjustment in favour of the weaker, like those of the Western nations' welfare and security systems.



These will demand a massive increase of public development aid .  
(In Western countries upto 20% of GNP is redistributed to the less favoured individuals. In contrast, less than 0.2% world GP is transfered to the poor countries.)

3. A world-wide redistribution would require new, but reliable and regular, political processes and instruments. Institutions of central planning and administration would have to be controlled through political processes that effectively incorporate methods assuring people's participation.
4. National economies in industrialized countries are hard pressed or unable to provide employment for all those who need and want it. Among those most apt to be denied jobs are youth, women, immigrants, the handicapped and the elderly. Political and economic leaders must explore new ways of assuring work opportunities for all.

Since many more people seek jobs than there are jobs available, governments should encourage experiments in the sharing of jobs and positions and explorations in new patterning of leisure time. as well as in developing new sources of jobs. Since the economies have sizeable numbers of unemployed, ready and willing to work, along with unmet needs for services that the market does not provide, governments should seek ways of reducing the number of unemployed by supporting programmes that would at once enlarge work opportunities and provide those services. Exciting new possibilities for significant work in the fields of health, like the rebuilding of decayed cities, the restoration of abandoned rural areas and the protection of nature should be explored in order to help improve the quality of life for all. We are aware that unemployment problems in the industrialized nations are hardly comparable to the catastrophic levels of unemployment in many developing nations; but this is no way to deny that it is a very real and human problem. For those who are unemployed, and therefore, for their local and national communities, to pose an inevitable clash between employment in the industrial and in the developing countries, is to become trapped in a mechanistic, market-centered, status quo-oriented way of thought which prevents solving either aspect of the problem.

5. The restructuring of industry in Western countries can produce adverse effects directly upon workers, their families and communities, and indirectly upon many other people and groups. Those who occupy economically weak and socially disadvantaged positions should not bear the costs of these effects. It is essential that they have effective right to aid and support or recompense. They, or their representatives, should regularly and openly participate in the debates and decisions over the restructuring. In other words, these weaker social partners should be treated with respect and love by those who are in a more advantageous position at the moment. Further, they, along with others affected, should be assured opportunities to maintain livelihood and to adapt to alternative work and employment. When industry seeks to introduce new technologies, it should be required that their benefits be evaluated primarily on the basis of the social consequences, and only secondarily on the basis of their more narrowly measured profitability. Among those social consequences that should be considered, are the effects upon autonomous technological capacities in developing countries.

6. A generalized process should be initiated whereby people can carefully examine objectives and methods of industrial (and agrarian) production in the light of human and humane values. They should ask themselves questions about the social usefulness of the final product (e.g., is it used for military purposes) and the waste involved in rampant consumerism. The same examination process should be initiated in the ever enlarging services sectors of Western economies.
7. Industrial countries must learn to become self-reliant insofar as they may withdraw a disproportionate amount of resources or food from developing nations. Industrial nations should not enable or encourage Third World nations to use precious agricultural land for industrial or luxury food products that are exported to the developed countries. Peasant farmers can be dispossessed and farm communities can be destroyed by such use, with no recompense and little hope of restitution or recovery.

The Churches and Christians from all walks of life in the industrialized countries are called upon not to fear the coming changes and to seek God's purpose in them. They can help create a more human community. They should both make and take opportunities to meet in fellowship to discuss these changes. They should explore their meaning and respond in faith to the demands of fellow human beings in the Third World as well as in the industrialized countries. Churches and Christians, including church councils and Christian agencies, must challenge governments and economic leaders to explore and plan new possibilities for action that will speed the desired change. By redefining progress as the seeking of a life that is just, participatory and sustainable for all of humankind, the industrialized countries will take an important first step in setting right their relationship with the peoples of the developing world.

## CHAPTER VI

### TOWARD INTERNATIONAL STRUCTURAL CHANGES

#### The "Third Development Decade"

International structural changes are integrally related to national and regional changes. Change at one level facilitates or even requires changes at other levels. It is important, especially at the international level, to see individual proposals, negotiations and structural changes in a total, goal-oriented framework. However, the process and the forums of struggle for change are also important because they impose limitations and provide opportunities for achieving specific changes. To deny the importance of the existing North-South dialogue or the fact that in 1980 it will centre on the United Nations' "Third Development Decade" is to seek to escape from reality. To accept the illusion that such dialogues at state level and such bargained compromise documents are the whole of change is to lose sight of the fundamental goal of a just, participatory and sustainable society centered on human beings.

The international dialogue as it relates to development will in 1980 centre on the negotiation and promulgation of the strategy for the Third Development Decade (DD3). The main forum will be the 10th Special Session of the UN General Assembly in the middle of the year.

There are few grounds for optimism in respect to DD3 discussions:

- (a) DD1 and DD2 agreed formulations have not noticeably influenced actions or results;
- (b) As outlined above the international and national settings today are not propitious for broad new agreements;
- (c) The official preparatory groups within the UN framework for DD3 have produced documents notable for lack of new departures, new insights, substance or specific, monitorable obligations on anybody.

More basic, there is a dichotomy of approaches between the 77 and Non-Aligned, on the one hand, and the OECD member states on the other, which suggests that the Special Session will be a dialogue of the deaf.

The 77/Non-Aligned have called for a new broad ranging development dialogue leading to agreed principles for structural change and immediate negotiations to implement them. Basically, these flow from the Arusha programme of the 77 presented to the Manila UNCTAD and since refined and articulated by the Non-Aligned and 77. For them the stagnation and disintegration in the South is at the centre of the current world economic crisis and, therefore, they perceive structural change as essential both for themselves and for any solution to Northern domestic, North-North and global crises.

The OECD states have a quite different perception. They do not see North-South issues as central to the causes or cures of the present New International Economic Disorder. They perceive New International Economic

Order proposals as largely defeated and as basically irrelevant to their own or the South's problems. Therefore, as at the Manila UNCTAD, they proposed to talk at length to avoid unsettling open breakdowns of dialogue but they avoided any substantive agreements on positive change. They see such agreements as probably unattainable and not worth the bother in a time of crisis.

The Special Session will, nevertheless, be of importance. It will concentrate attention, however briefly, on the development dialogue. It can do harm either if it breaks down in open recrimination or, even more, if it reaches a paper agreement which bridges in words a gaping chasm in attitudes and intended actions. Perhaps, it also retains some positive potential in the way of reorienting DD3 formulations toward verbally more modest but substantively more operational lines and in making clear what the nature of the divisions on structural change are without creating a breakdown in communications.

DD3 can be meaningful only if it has targets which can be related to performance and to obligations of specific actors - states, international agencies, TNCs. No bargained compromise such as a UN pronunciamiento can aspire to detailed normative agreements or articulated ideological unity. When that is attempted the result is an ambiguous declamation which can be read as justifying remarkable diverse actions and inactions. What is achievable is a set of specific, interim targets and actions to achieve them which, taken together, are viewed as worth carrying out by most key actors. This suggests that an essential part of DD3 is a detailed set of targets for action by each UN family organization (including the Bank and the Fund) over the next decade and a mechanism for annual reporting on results to the General Assembly. Included in such targets should be substantive negotiations on structural changes.

Among the areas which the Special Session on DD3 needs to face - and to set targets for negotiating substantively - are:

- (a) Food, food security, elimination of hunger.
- (b) Energy: physical availability and access.
- (c) Patterns of global and national production.
- (d) Employment opportunities.
- (e) Knowledge creation and distribution (technology, communication, intellectual property rights).
- (f) International trade access and management.
- (g) Financial flows (availability, access, terms, stability) and monetary arrangements.
- (h) Public control over private actors (TNCs).
- (i) Equity, equality, poverty eradication.
- (j) Participation in global and national decision-making.
- (k) Peace as freedom from the threat of holocaust and the need to maintain crippling security budgets - including its interaction with
- (l) Justice as freeing (by force if necessary) peoples and states from foreign or other oppressive rule.

If these issues can be debated frankly, a few action targets - especially on the first two - agreed, and a draft outline for substantive negotiations set down, the Special Session will have made a positive contribution. A small one. But the illusion that one conference can by itself bring

about a total change of direction and that each conference should be organized on the basis of that illusion is one of the more dangerous products of the 1970s' international negotiation process. No single meeting, no single action can achieve structural changes. Only a series of meetings, dialogues, actions building on their predecessors can be serviceable. From that more modest perspective, the Special Session could be useful even though the present setting and attitudes are not propitious and DD3 is worth a serious dialogue, even though it will not, and cannot, by itself, "achieve development", as the authors of the still-born DD1 and DD2 wishfully supposed.

However, even that modest contribution requires that Development Decades, UN conferences and particular international negotiations be seen in the context of sustained exploration dialogue and struggle for justice and participation. They can be useful as parts of a process and steps toward action; but not if they are viewed as ends in themselves or as substitutes for action.

### Structural Changes: Why? For Whom?

International structural changes cannot usefully be treated in isolation. They must be considered in relation to normative views and strategic scenarios.

Advocates of the free market rarely make explicit and often appear not to recognize the normative framework underlying and informing their policy recommendation. Major proponents of market-centered economies and societies (e.g., Von Mises, Von Hayek, Friedman) deny the relevance of justice as a norm for testing economic policy or performance. Their case is that the market mechanism produces the maximum possible volume of goods, distributes them in accordance with demand and affords freedom to the individual. To attempt to introduce distributive justice as a criterion is, from this perspective, an impediment to efficient production and distribution and to freedom. That the "efficiency" relates to a specific pattern of income distribution and power is rarely made explicit while the ways in which income and power distribution constrains (or denies) formal individual freedom are either ignored or justified as inevitable and less bad than those said to be imposed by welfare or distributive justice-oriented economic systems or interventions. The normative values of those - including many Christians - who argue that distributive justice is a fundamental test of any social or economic system are fundamentally different. They, at least implicitly, deny that economic efficiency can be defined without reference to value-determined ends or that one can evaluate production without reference to its interaction with distribution. From these values flow assertions of basic human rights to employment and participation, to food, education, health, to limits to inequality and freedom from oppression and exclusion. Necessarily, those values lead to very different institutional, analytical, structural and policy proposals from those of the free market advocates.

National and international structures constrain and mould each other. Who benefits from international structural changes depends very much on the nature of national societies, states, power structures. The answers are not the same in the United Kingdom and Italy, Yugoslavia and Poland, Brazil and Mozambique. However, by the same token the international structural

setting in large measure penetrates and shapes as well as constrains and limits national structures. Provision of finance, market access, technology to stable, exploitative, repressive states is not neutral domestically; the prospect of less unequal terms and less uncertain access to markets and technology in respect of mineral development, processing and sales is not irrelevant to the possibilities of achieving distributive justice and participatory politics in radical African states. To focus on international to the exclusion of national (or vice versa), to argue that national change must always and totally precede international (or the reverse) is analytically false and is operationally to support the status quo by setting preconditions for change which demonstrably can never be met.

In looking at major areas in which structural change is needed there is a case for proceeding on two levels. First, an indication of the total structural changes needed over the next two decades. Second, a narrower identification of changes which may just be attainable over the next few years. It is a fact that, the present directions of change are largely toward crisis, disorder, uncertainty, disintegration. Halting and beginning the reversal of these trends may seem minor when contrasted to the full structural changes required. Yet it is the necessary first step toward them. That has two implications: the overall direction and scope of structural change needs to be identified at least approximately, to ensure that the first step is in the correct direction but, second, once the broad identification is achieved initial action should parallel not wait on complete articulation and elaboration of larger term needs.

The areas sketched here are largely political economic. This is partly because international structures and negotiations are themselves largely political economic and partly because moral, social, communal, cultural structures cannot be handled in depth together with political economic in any paper which hopes to avoid both total superficiality and excessive length. Even in the political economic field there is no claim to comprehensiveness; other significant areas exist and other topical groupings are possible. However, there can be little disagreement that the following can be no pretense that the need for institutional change at all, and especially as urged here, is very far from being universally accepted. This presentation flows from the previous analysis of the present setting and forces and the scenarios potentially consistent with the struggles - internationally and nationally - for justice, participation and sustainability.

#### Priority Areas for Change

- (a) Food. A meaningful (enforceable) right to an adequate diet for each human being by 2000 requires changes not merely in levels and geographic distribution of food production but, even more, in personal and national access to food. These include more research and production of inputs - as well as of food - in poor, food deficit countries. They also require food security arrangements which insure that countries and regions facing food shortages have priority access to supplies at concessional prices. Ending trade in food is not a plausible goal, greater self-reliance need not mean autarchy. Food aid is a symptom of maldevelopment of production, of employment and of income. What needs to be eliminated are the causes. Until this is achieved, food aid cannot have a positive role. What is needed are arrangements which encourage export production in poor grain surplus countries, e.g.,

Thailand, Tanzania, and which utilize food aid to enhance food security and to support domestic production development not to sustain surplus production in rich countries and enable it to be dumped in ways damaging to peripheral economy agricultural sectors and peasants. Some aspects: a basic food security programme, third country procurement of First World food aid in Third World surplus production states, international support for regional and national research, transfers (of food, agricultural inputs, finance) in support of agrarian reform and of enhanced production are negotiable in 1980. Other aspects, especially the bidding up of grain prices by Northwest and Northeast demand for grain-fed meat with its negative implications for the ability of poor countries and people to buy grain to eat, are more intractable. Because projected food demand is far in excess of potential exportable first world production and because starvation and chronic malnutrition are nearly universally perceived as both unjust and inefficient there are few basic conflicts of interest in negotiating initial structural changes in this sector.

- (b) Energy. This sector is in some respects analogous to food. However, the barriers to adequate production, especially in the next two decades, are technically more intractable. Thus, the attainment of priority allocation for basic requirements will be harder to achieve. Because most oil exporting states are poor and oil - unlike food - is a wasting, non-renewable asset, special price access to energy security needs will also be harder to attain unless jointly underwritten by industrial and oil exporting economies. Price allocation alone is no more adequate for energy than for food. The basic transport, fuel and power needs of poor peoples and countries need to be safeguarded just as much as their needs of food; indeed, the two needs overlap. Long term structural solutions are not yet readily discernible. Three elements of structural change are both urgent and practicable for immediate initial negotiated progress. The first is enhanced, globally supported exploration, growing and development of energy sources (hydroelectric and coal as well as oil) in energy deficit Third World economies both to meet their immediate needs and to reduce pressure on globally traded supplies and prices. The second is to increase the access of petroleum exporters to knowledge and gather inputs to transform their petroleum earnings into broader, longer term development at home, into cooperation in the development of other Third World economies and into interim financial assets whose value is not dramatically eroded or destroyed by industrial economy inflation and instability. Such changes are essential to negotiating sustained oil output levels even vaguely commensurate with basic global needs and to incorporating the capital flows from sale of this wasting asset into sustainable income and development generation nationally and globally. Three, research for the creation and funding for the implementation of new knowledge on energy conservation, additional energy sources (especially, those based on renewable resources whether agricultural, hydroelectric or solar), and improvement of the appalling safety and pollution records of the two major existing alternative energy sources (coal and nuclear). These are clear areas of interdependence where mutual interests are, in principle at least, widely perceived. The problems are in articulation, in distribution of costs and mobilization of resources and, above all, in getting serious first steps in implementation taken not by the end of the 1980s but by the end of 1980.



- (c) Employment. Access to employment (including self employment), which is productive enough and fairly enough remunerated to meet basic personal needs, is central to participation, self reliance, freedom from oppression, human fulfillment. Therefore, it is critical that it be an enforceable, structural right by 2000. No technical necessity underlies projections of 600 million in absolute poverty and 100 million unemployed in that year - moral, security and economic imperatives require quite different targets. Employment structures are largely national and largely linked to production, knowledge, trade, finance and equity structures. Therefore, the actual nature of direct joint global action in respect to employment structures is neither clear in principle nor easy to articulate. Acceptance of common goals and of an obligation to embody them in production, knowledge, finance and other international structures is required. So is exploration of ways toward articulating the goals into concrete targets and obligations and of implementing them. The ILO has been effective in promoting dialogue and exploration. The new structural departures needed now would appear to lie, on the one hand, in systematic articulation of ways and means and, on the other, in defining and negotiating specific targets and obligations.
- (d) Production. Because production is a central means to meeting needs and a basic component in the power to participate, changes in global production structures (thrust is in global economic geography) are central to any equitable, participatory, sustainable human oriented new international economic order. While efficiency is critical (and not achieved today with unused capacity side by side with unmet basic needs) it must be determined in respect to goals, which cannot represent an increase in efficiency unless what, how and for whom are satisfactorily specified. Greater diversity, that is, balance of production and of use, as well as greater opportunity to make use of special human and natural resources through specialization are needed. Both the balance and the specialization structures will need to be quite different from previous raw material, agricultural protection (e.g., EEC's CAP) manufactured goods and (hewers of wood/masters of carpentry) specialization, but not on the simplistic lines of labour intensive/capital intensive specialization and exchange which have been promulgated in recent years. Collective self-reliance at various levels can contribute towards reconciling structures of balance and of specialization. So can serious articulation and implementation of targets, such as those of the Lima Declaration on global industrial production participation, by presently peripheral economies.
- (e) Knowledge. Because the ability to create (research and development of hard and soft technology, of normative systems, of intellectual concepts and constructs), to have access to, and to communicate knowledge (technical, conceptual, informational), is central to production, to distribution and to participation, and because it is now concentrated in a few hands, globally as well as nationally, structural changes are needed. The power to shape one's world-view, to influence those of others, to build up or adopt technical knowledge in support of one's goals is integral both to participation and to genuine interdependence. These must centre on access to the ability to create and to communicate even though access to transfers of knowledge and to communication of others are also important. Present structures suffer from gaps and lack of articulation (especially intra-South, South to North and Northeast-Northwest), as well as from private or state monopolization of knowledge

which should be the common heritage of humankind. Related international structural changes are needed in respect to flows of information where present institutional and technical patterns exclude most states and peoples, not merely as senders, but also as selective rather than passive recipients. Initial action is possible in support of regional and global research and development in selected fields (including food, energy, sustainability, health), in respect to terms of access (Transfer of Technology Code) and on more broadly participatory communication (MacBride Commission of UNESCO; distribution of radio communication channels). This is true despite the dangers that control against monopolization can be used as a barrier to participation and that easier access to technology may be used to perpetuate technological dominance.

- (f) Trade. International trade, while not an end in itself, is a critical means to matching employment and production with specific needs for goods, services and markets. Structures are needed both to guarantee access to markets and to supplies, and to protect employment and production from predatory or too rapid changes. By 2000 this implies participatory institutional structures which broadly guarantee access and stability of trade through indicative planning of trade and finance flows and coordination of national and operating unit, forward production pattern decisions. However, more immediate and limited structural changes are needed to reverse the new protectionism which is increasingly eroding market access, production possibilities and productive employment opportunities in the Northwest, as well as the South and, to a degree, Northeast. Reform and broadening of the General Agreement on Tariffs and Trade, as well as enforcement of its increasingly blatantly flouted existing provisions, are urgently needed. More equal access to markets and more clearly defined and equitable provisions for requirements and adjustment are in the interests of almost all states and are critical to surmounting the present international economic disorder and averting a return to the trade wars of the 1930s.
- (g) Finance and Money. Financial and monetary structures, like those of trade, require changes to be more supportive of basic employment, production and access (e.g., to food and energy) requirements and to be more effective in providing security in the face of crises and time for more basic adjustments. In respect to medium and long term finance, such structures require greater direct flows among South currencies and more global responsibility for risks to reduce the concentration of central and of risks on Northwestern banking institutions. They also require substantially enhanced flows of finance until trade structure changes reduce present intra-North and intra-South, as well as North-South imbalances. Part of this finance must be concessional, both because the rapid meeting of basic human needs in very poor countries cannot be financed on commercial terms, and because production, trade and adjustment in the North require enhanced production and employment to meet Southern needs in advance of a balanced return flow of goods. An increase of a US\$ 500 billion increase in such transfers over the 1980-2000 period is probably a plausible indicator of the magnitude of changes required. Equally essential is acceptance of the principle of automaticity - a right to receive and a duty to pay - in respect to international transfers comparable to that existing in respect to national health, education, unemployment and disability programmes. The appearance of the Brandt Commission report and the UN Special Session

may provide an impetus toward and an opportunity for achieving initial progress in respect to quantity and automaticity of concessional financial transfers. Monetary structures, globally as well as nationally, should enhance stability (including avoidance of destabilizing inflation which usually bears most heavily on the poor and excluded) and, at the same time, provide bridges for resources to meet crises and facilitate adjustment to structural changes. These aims require a global central bank (which the IMF is not), substantial resources (which the IMF does not, in fact, possess) and provision of credit in amounts related to intensity and probable duration of need to surmount and adjust to crisis (largely irrelevant to present terms and conditions).

Equally, they require that structural changes in respect to participation proceed along parallel lines with those on institutional powers, resources and goals. Initial progress may be possible on increasing the volume of finance to reinforce North-South trade and ease the adjustment process on providing a greater global security element in the transfer mechanism to reduce the risk of massive defaults leading to a banking crisis, to increase concessional finance and to adjust monetary resource availability to genuine bridging and adjustment requirements. But this is an area in which disagreements both on what should be done and on which institutional mechanisms should be used is notoriously wide.

- (h) Participation. To be acceptable, major structural changes require global participation in decision-taking as well as implementation. Neither universal dialogue on all issues nor limited, self-selected elite groups of states handling actual key decisions provide adequate structural models. While structures of participation and decision globally must become more like those nationally, a world government is not a feasible (nor self-evidently desirable) proposition for the year 2000. Structures of dialogue must be open to, and participated in, by all states - the Northeast, South and smaller Northwest states require greater access and greater actual involvement. Structures of detailed negotiation and decision articulation - subject to global final approval - must be designed which continue practical sized bodies with genuine, self-determined representation. In a real sense, the initial, structural changes take place in the actual negotiation of the structural changes - the dialogue is reasonably participatory, but the negotiating process remains and will remain incoherent, incomplete, elitist and ineffective until progress is made toward integrating access, representation and workable group size.
- (i) Equity. Structures to embody equity, limits to inequality and eradication of poverty-oppression-exclusion will until 2000 turn in limits (ceilings as well as floors) with secondary, but substantial, emphasis on global cooperation in transfers of resources to climb up to the floors. On the secondary emphasis, initial progress seems possible - in health and education, as well as food and energy - but on the former there is, as yet, no agreement on the principle of ceilings and very limited exploration of the levels of institutional forms they might take. Both dialogue on the principle - especially on its moral as well as practical foundations - and on how it can be articulated are urgent immediate steps. So is the elaboration of steps toward a more effective and complete international juridical system, including the increasing emphasis on distributive justice, reversal of unjust enrichment and positive enforcement of equity by support of the weaker party in contractual settings.

- (j) Peace. Peace is as much a political economic as a moral imperative. Meaningful security for people requires that the burdens of uncertainty and the strains on the institutions imposed by the threat of international conflict be reduced. High levels of armaments are not part of the answer, but of the problem. They increase fears as to security and suspicions as to the intentions of others, strengthen militarist forces in the economy and polity, are open to use for domestic repression and divert resources from development. The means to disarmament in and between Northwest, Northeast and South are much less clear. Exploration of possible ways forward, negotiation of additional areas free from outside armed forces - e.g., the Indian Ocean and the Mediterranean and creation of credible alternative ways to resolving bitter conflict, whether within the South or North-South - may be practicable initial steps.
- (k) Justice. However, for peace to be more than a cover slogan for entrenched injustice, structural changes are needed in respect to the nature of international responsibility vis-a-vis regimes virtually universally seen as abhorrent - e.g., those which existed a year ago in Uganda, Equatorial Guinea, the Central African Empire - and in respect to legitimate national liberation movements, e.g., those of Namibia and South Africa. Imperfect and incomplete as they have been, the actions of Costa Rica and the Andean Pact states in respect to Nicaragua and Bolivia, and the Commonwealth States in respect to Zimbabwe, may represent first steps toward such changes.
- (l) Security. Security means assured access to genuinely needed resources, including food and energy, but also raw materials and capital goods. It also means assured national control over external and domestic economic actions, notably TNCs. Inadequate as they are, the doctrines of permanent sovereignty over natural resources, of national jurisdiction over disputes between a state and any economic entity within its territory, of judicial remedies (national and international) against unequal contracts and unjust enrichment, and of codes of conduct in respect to TNCs represent first steps toward such structural change. Each is in the interest of industrialized as well as Third World states and peoples. Access is needed by each. Individual economic actors are as culpable, whether wilfully or otherwise, of destabilizing industrial as well as Third World economies.
- (m) Adjustment. Structural changes entail costs. The costs for many come before the gains. Therefore, structures to ensure equity in division of burden and allocating time to adjust while guarding against blocking adjustments or dumping its burden on powerless, poor and oppressed human beings, classes, states are vital to achieving other structural changes. The most urgent and most practicable area for initial action may be that of trade. Industrial economies do need mechanisms to adjust to changes in global production and trade structures. Unless these are within a framework of international rules they are likely to prove a guise for obstructing change, ongoing in trade wars and reducing real wages. Therefore, North and Northwest as well as South and Northeast interests suggest early, serious negotiations on such an extension of GATT proposed as long ago as the 1947 Havana International Trade Conference and renewed as recently as the Group of 77's Arusha Programme for Manila.

- (n) Sustainability. No political economic structures can be workable unless they are sustainable in the economical as well as the equity and participation senses. The structural need is to reconcile "limits to growth" with structural change. Population and resource use cannot expand geometrically forever, but the former expands largely because of, not despite, poverty and the latter requires limits on overuse by high per capita output economies rather than added barriers to needed access by low per capita output economies. Unless research and investment on pollution control and renewable resource management become global, globally financed concerns mean shifts in production toward the third world - e.g., leather, smelting, textiles, livestock, fish - have alarming "pollution export" and "resource mining" sides whatever their immediate production, trade and equity gains. The first step toward defining environmental protection in human terms with global rather than sectional relevance at the Stockholm Conference needs to be pursued to achieve a clearer picture of structural changes needed. More global, globally funded knowledge, development and funding of its application in respect to biosphere limits, desertification, climatic variability, fishery and forest management and pollution control appear to be areas in which initial operational agreement could be achieved.
- (o) Transnationals. The growth of oligopolistic power and the increase in the profits of TNCs in the 70s seem to have a positive correlation with the growing difficulties with which nations and peoples are confronted. The prosperity TNCs have created in these critical years sharply contrasts with the increasing poverty and unemployment not only in the peripheral countries where they operate but also in their own countries of origin. In general, global corporations have tended to aggravate, not to solve, the world's greatest problems. If structural changes in domestic and international relations, including systems of control over TNCs, are not agreed upon and implemented in the 80s, those trends will persist and generate further conflict.

Nationally, the quest for a just, participatory and sustainable society requires social control over capital and national sovereignty over production and trade. It also requires the reorientation of the economy from the market priorities to the satisfaction of basic human needs. These goals can only be achieved through the implementation of national policies such as: an integrated economic plan which, by setting the priorities for production and distribution according to the basic needs of the majority, clearly establishes the conditions for and the limits of activities of TNCs; the nationalization of vital economic sectors such as banking, foreign trade and natural resources, so as to enhance the power of the nation to negotiate with TNCs from a position of sovereignty; legislation controlling the transfer of technology by TNCs as well as imposing ceilings on the remittance of profits, dividends, royalties and service charges of TNCs, so as to prevent decapitalization; price controls to prevent TNCs from practicing transfer pricing and from reaching a monopoly position through dumping; explicit rejection of patterns of imitative development which are forcefully introduced by TNCs and which alienate Third World peoples from the use of their own material, cultural and spiritual resources.

Internationally, a system of cooperation between peoples and states should be created to replace the existing competitive relationships based on the TNC ethics of power, acquisition, profit and rampant materialism with cooperative relationships based on a new ethics of justice, equality, sharing, participation and sustainability. Industrialized countries and TNCs have systematically opposed an obligatory code requiring corporations to disclose information to States, to obey national legislation and to end restrictive business practices. They refuse to negotiate on issues such as trade between states which is internal to corporate groups and the social nature of capital and knowledge. A global entity is needed whose political authority, derived from representation based on peoples and nations, not on capital, grants it the power to regulate, supervise and enforce the implementation of international agreements by TNCs. The adoption and implementation of an obligatory Code of Conduct to regulate the activities of TNCs may serve as a first step. Among Third World countries the creation of producers' cartels has already proved effective. Other initiatives toward collective self-reliance should be taken including the creation of regional economic territories. The existence of such territories would imply the strengthening of mutual interests based on complementarity in economic planning, cooperation in production, knowledge creation, distribution and marketing by various means, including Third World states' multinational corporations; and the creation of a monetary system of their own.

- (p) International Commons. The resources managed for the common benefit of humanity - not for particular states, classes, corporations - must be broadened. Some limited progress has been made in respect to the moon, Antarctica and the deepest, most isolated stretches of the oceans. However, the principle needs in some form to be extended to broader and closer areas of knowledge and critical scarce resources (not excluding basic access to food, water and energy). The generalization of the principle requires dialogue on definitions and possible embodiments. What is possible in the short run is the preservation of the rather limited common heritage management elements remaining in the Law of the Sea talks and the conversion of Antarctica from a joint preserve of a self-selected handful of Third World, capitalist industrial and socialist industrial states to an initial case of truly global management in the furtherance of global needs.

#### Costs, Directions, Purposes

There should be no illusion that even the initial structural changes cited will be easy to attain or costless. In particular the trade-offs between human needs and market priorities based on present levels of power and inequality are severe. For example, over the short run or in a year of bad weather more grain for those in danger of starvation means less meat either for the importers of US grain fed livestock (e.g., the USSR) or for the USA and Australia themselves. All choice requires sacrifice, all change requires struggle. That is the message of history as of the Gospel.

In each area a need for greater diversity as well as greater inclusiveness

exists. South-South, Northeast-Northwest and Northeast-South structural relations are incomplete and sparse relative to Northwest-South. While understandable as a heritage of colonialism and the initial isolation of the socialist industrial economies, this strikingly unbalanced structural framework is itself an area requiring structural change.

The directions of change sketched assume primacy for human needs, distributive justice, participation and sustainability - not accumulation, unbridled self-interest and immediate consumerism. They also assume the importance of greater self-reliance, more varied international economic relations, increasingly balanced and jointly determined interdependence and the creation of structures in respect to decision-taking, organization and regulation which make international community and global society less of slogans and more of descriptions of an actual coherent, inclusive set of institutions and structures.